



Doc#: 1211729047 Fee: \$52.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 04/26/2012 01:21 PM Pg: 1 of 8

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Krooth & Altman LLP
1850 M Street, NW, Suite 400
Washington, DC 20036
Attn: David Barsky, Esq.

(Space above this line for Recorder's Use)

SUBORDINATION AGREEMENT

NOTICE: THE SUBORDINATION PROVIDED FOR IN THIS AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE INTEREST CREATED BY SOME OTHER OR LATER INSTRUMENT.

THIS AGREEMENT, made as of this 26th day of April, 2012, by and between BEVERLEY PAVILION, LLC, an Illinois limited liability company, ("Mortgagor" or "Lessor"), as lessor under the lease hereinafter described, and PRESIDENTIAL PAVILION, LLC, an Illinois limited liability company ("Operator" or "Lessee"), lessee under the lease hereinafter described, in favor of CAMBRIDGE REALTY CAPITAL LTD. OF ILLINOIS, an Illinois corporation ("FHA Mortgagee"), the owner and holder of the Mortgage hereinafter described.

WITNESSETH:

WHEREAS, Lessor has or will execute that certain Mortgage, dated as of April 1, 2012 (the "Mortgage"), in favor of FHA Mortgagee and covering certain real property (the "Property") located in the City of Chicago, County of Cook, State of Illinois, with a legal description as set forth in Exhibit "A" attached hereto and incorporated herein by this reference, and covering the improvements situated thereon (the "Improvements"), and which Mortgage is being recorded concurrently herewith; and

WHEREAS, Lessor and Lessee entered into that certain unrecorded Lease, dated as of February 1, 2005, by and between Lessor and Lessee (the "Original Lease"), as amended by that certain Amendment to Lease, dated as of March 1, 2005, by and between Lessor and Lessee (the "First Amendment"), as further amended by that certain Second Amendment to Lease, dated as of April 26, 2012, by and between Lessor and Lessee (the "Second Amendment", and collectively with the Original Lease and the First Amendment, the "Lease"), covering the Improvements for the term and upon the conditions set forth therein; and

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WHEREAS, the parties hereto now desire to enter into this Agreement to establish certain rights and obligations with respect to their interests, and to provide for various contingencies as hereinafter set forth.

NOW, THEREFORE, in consideration for the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual benefits to accrue to the parties hereto, it is hereby declared, understood and agreed that the Lease, all terms and conditions set forth in the Lease, the leasehold interests and estates created thereby, and the priorities, rights, privileges and powers of Lessee and Lessor thereunder shall be and the same are hereby, and with full knowledge and understanding of the effect thereof, unconditionally made subject and subordinate to the lien and charge of the Mortgage, all terms and conditions contained therein, any renewals, extensions, modifications or replacements thereof, and the rights, privileges and powers of FHA Mortgagee thereunder, and shall hereafter be junior and inferior to the lien and charge of the Mortgage. The parties further agree as follows:

1. It is expressly understood and agreed that this Agreement shall supersede, to the extent inconsistent herewith, the provisions of the Lease relating to the subordination of the Lease and the leasehold interests and estates created thereby to the lien or charge of the Mortgage.

2. FHA Mortgagee consents to the Lease.

3. Lessee hereby agrees that it will not exercise any right granted it under the Lease, or which it might otherwise have under applicable law, to terminate the Lease on account of a default of Lessor thereunder or the occurrence of any other event without first giving to FHA Mortgagee prior written notice of its intent to terminate, which notice shall include a statement of the default or event on which such intent to terminate is based. Thereafter, Lessee shall not take any action to terminate the Lease if FHA Mortgagee (i) within thirty (30) days after service of such written notice on FHA Mortgagee by Lessee of its intention to terminate the Lease, shall cure such default or event if the same can be cured by the payment or expenditure of money, or (ii) shall diligently take action to obtain possession of the leased premises (including possession by receiver) and to cure such default or event in the case of a default or event which cannot be cured unless and until FHA Mortgagee has obtained possession, but in no event to exceed ninety (90) days after service of such written notice on FHA Mortgagee by Lessee of its intention to terminate.

4. For the purposes of facilitating FHA Mortgagee's rights hereunder, FHA Mortgagee shall have, and for such purposes is hereby granted by Lessee and Lessor, the right to enter upon the Property and the Improvements thereon for the purpose of effecting any such cure.

5. Lessee hereby agrees to give to FHA Mortgagee concurrently with the giving of any notice of default under the Lease, a copy of such notice by mailing the same to FHA Mortgagee in the manner set forth hereinbelow, and no such notice given to

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Lessor which is not at or about the same time also given to FHA Mortgagee shall be valid or effective against FHA Mortgagee for any purpose.

6. Subordination of Lease to Mortgage and Regulatory Agreements and Regulation by the U.S. Department of Housing and Urban Development ("HUD").

(a) The Lease and all estates, rights, options, liens and charges therein contained or created under the Lease are and shall be subject and subordinate to the lien of (i) the Mortgage on the Lessor's interest in the Property in favor of FHA Mortgagee, its successors and assigns insofar as it affects the real and personal property comprising the Property (and not otherwise owned, leased or licensed by Lessee) or located thereon or therein, and to all renewals, modifications, consolidations, replacements and extensions thereof, and to all advances made or to be made thereunder, to the full extent of amounts secured thereby and interest thereon, (ii) that certain Regulatory Agreement for Multifamily Housing Projects between Lessor and HUD to be recorded against the Property, and (iii) that certain Regulatory Agreement Nursing Homes between Lessee and HUD to be recorded against the Property.

(b) The parties to the Lease agree to execute and deliver to FHA Mortgagee and/or HUD such other instrument or instruments as the FHA Mortgagee and/or HUD, or their respective successors or assigns, shall reasonably request to effect and/or confirm the subordination of the Lease to the lien of the Mortgage and the above-described Regulatory Agreements. To the extent that any provision of the Lease shall be in conflict with the provisions of the Mortgage, the Regulatory Agreements and/or any applicable section of Section 232 of the National Housing Act, the provisions of the Mortgage, the Regulatory Agreements and/or such sections of Section 232 of the National Housing Act, as the case may be, shall be controlling.

7. For purposes of any notices to be given to FHA Mortgagee hereunder, the same shall be sent by U.S. certified mail, return receipt requested, postage prepaid, to FHA Mortgagee and HUD at the following addresses:

FHA Mortgagee: Cambridge Realty Capital Ltd. of Illinois
125 S. Wacker Dr., Ste. 1800A
Chicago, IL 60606

HUD: U.S. Department of Housing and Urban Development
Office of Healthcare Programs
451 Seventh St. SW, Room 6264
Washington, DC 20410

or to such other address as FHA Mortgagee may hereafter notify Lessee in writing by notice sent to Lessee as aforesaid at Lessee's address at the Property, or such other address as FHA Mortgagee may hereafter be advised of in writing by notice sent to FHA Mortgagee as aforesaid.

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8. The agreements contained herein shall run with the land and shall be binding upon and inure to the benefit of the respective heirs, administrators, executors, legal representatives, successors and assigns of the parties hereto.

9. This Agreement may be executed in one or more counterparts, all of which when taken together shall constitute a single instrument.

10. This Agreement shall, in all respects, be governed by and construed and interpreted in accordance with the laws of the State of Illinois.

[SIGNATURES AND ACKNOWLEDGEMENTS APPEAR ON FOLLOWING PAGES]


Property of Cook County Clerk's Office

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SIGNATURE PAGE TO SUBORDINATION AGREEMENT

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the day and year first above written.

LESSOR:
BEVERLEY PAVILION, LLC,
an Illinois limited liability company

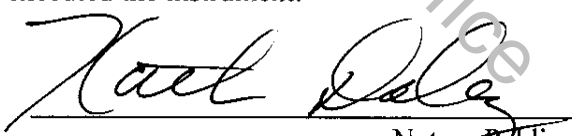
By: 
Name: Morris I. Esformes
Its: Manager

ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

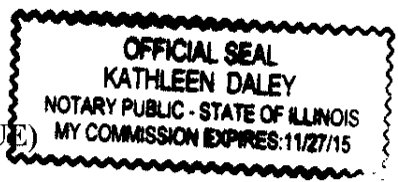
On this 23 day of April, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared MORRIS I. ESFORMES, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[SEAL]


Notary Public

My Commission Expires: _____

(SIGNATURE PAGES CONTINUE)



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SIGNATURE PAGE TO SUBORDINATION AGREEMENT

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the day and year first above written.

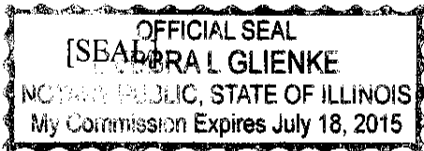
FHA MORTGAGEE:
CAMBRIDGE REALTY CAPITAL LTD. OF ILLINOIS,
an Illinois corporation

By: 
Name: Anthony T. Marino
Its: Assistant Secretary

ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

On this 7th day of April, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared ANTHONY T. MARINO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.




Notary Public

My Commission Expires: 7/18/15

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EXHIBIT "A"

LEGAL DESCRIPTION

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Chicago, County of Cook, State of Illinois.

LOTS 18 TO 28 BOTH INCLUSIVE, IN BLOCK 3 IN C.H. BECKWITH'S
SUBDIVISION OF BLOCKS 14 AND 15 IN HUNTER'S SUBDIVISION OF THE
NORTHWEST 1/4 OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 14 EAST OF
THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

PROPERTY ADDRESS: 8001 S. WESTERN AVENUE
CHICAGO, ILLINOIS 60620
(COOK COUNTY)

PERMANENT REAL ESTATE INDEX NO.: 20-31-108-044-0000